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## CENTRAL INTELLIGENCE GROUP

INTELLIGENCE REPORT

COUNTRY China

DATE: 25X1A6a

INFO.

Political Information: Municipal Government in SUBJECT

<u>25X1A6a</u>

DIST. 2 January 1947

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ORIGIN

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SUPPLEMENT

1. All government administration in Dairen and Port Arthur is controlled by the Soviets. Merchants travelling from Dairen to Chincheu (121-42, 39-06), for example, must obtain passes from a Soviet office in the Shahokou section of Dairen. Source saw Soviets stop merchants near Chinchou and examine their passes. The Dairen Labor Union states that all activities must have the approxal of the Soviets.

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- Law Cases in both Port Arthur and Dairen are settled at the Dairen courts.
- The Chinese Communists never find a thief guilty. It is said that they are people without hope and therefore not responsible for their actions.
- In order to prevent undesirable persons from entering Port Arthur, the municipal government has notified civilians in the areas under its control that each person must submit a photograph of himself. Residential cards will be made up, using these pictures.
- The chief councillor of the Dairen Municipal Political Council is TANG Shac-tao (唐韶涛)。 He is concurrently charban of the Industrial Workers' Union. The other councillors are of the gentry class.

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- The name of the Dairen Public Office has been changed to the Civil Administration Office. The civil magistrate is CHANG Chih-yuan (張 致读), formar director of the Board of Education.
- 7. CHIH Liang-fu (達夏夫), former head of the Dairen Public Office is now private secretary to the mayor.
- LU Chang-1 ( 正義), former assistant director of the Board of Education, is now director.
- The name of the Public Utilities Office has been changed to the Construction 25X1A Board. PANG Ta-bai is the director.

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- 10. The deputy mayor of Dairen, CHEN Yun-tao, went to Harbin in August and has not yet returned.
- 11. The revenue and taxes of the Chinese Communist government of Dairen are as follows:
  - a. Income Tax
  - b. Consumption Taxes
    - (1) Tobacco Tax
      - (a) Plain tobacco
      - (b) Rolled tobacco
    - (2) Entertainment and Wine Tax
    - (3) General Taxes
      - (a) Cloth Tax
      - (b) Bean cake tax
  - e. Commercial Taxes
    - (1) Contract Tax
    - (2) Revenue Stamp Tax
    - (3) Registration Tax
      - (a) Business Registration Tax
      - (b) Industrial Registration Tax
  - d. Teriffs
    - (1) Emport Tariff
    - (2) Export Tariff
    - (3) Transfer Tariff
  - e. House and Land Taxes
    - (1) House Tax
    - (2) Miscellaneous Articles Tax
    - (3) Land Tax.

Commodity prices are affected by the taxes. Since taxes in Port Arthur and Dairen are lower than in Mukden, most prices in Dairen are lower than the Mukden prices. However, the taxes on wine and tobacco, and therefore their prices, are higher in Port Arthur and Dairen than in Mukden. The price of grain is also higher in the former cities, but that is caused by other factors, as described above.

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